STATE OF CALIFORNIA   JOHN CHIANG,
                                                                                California State Controller
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STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: July 7, 2008   PERSONNEL LETTER #08-006
                                                  CSU ONLY

TO: To All Campuses in the Uniform State Payroll System

FROM: Don Scheppmann, Chief
        Personnel/Payroll Services Division

RE: **CALIFORNIA STATE UNIVERSITY BARGAINING UNIT 3 JULY 1, 2008 GENERAL
        SALARY INCREASE**

The agreement reached between the CSU and Bargaining Unit (BU) 3 provides for a 2.0% General
Salary Increase (posted via the SCR transaction) effective with the July 2008 pay period. The increase
is part of the fiscal year 2007-2008 BU03 contract provisions. Refer to Technical Letter HR/Salary
2008-09 for further information.

An Employment History (EH) mass update is scheduled for Tuesday evening, July 8, 2008, to post a
beginning of July 2008 pay period effective date SCR transaction. The EH Online System will be
available for inquiry and update at its normal time on Wednesday, July 9, 2008 (i.e. 7:00 am – 6:00
pm).

PPSD EH UPDATE PROCESS

All employees in BU 3 are entitled to receive a 2.0% increase effective the beginning of the July 2008
pay period.

Employees with an appointment expiration date that is prior to the beginning of the July 2008 pay
period will be included in the EH mass update. Campuses can access a list of the employees via the
CIRS Compendium Report H50, Cycle 0807, under Campus Detail, General Salary Increase. A tab-
delimited file is also available by accessing report code H80, cycle 0807. Both compendium reports
will be available July 9, 2008. Campuses must determine if the employees are to be reappointed or
separated and key enter the appropriate transactions.

Employees with a separation effective date prior to the beginning of the July 2008 pay period may need
an adjustment to their lump sum payments, if those payments extended beyond the June 2008 pay
period. The SCR transaction will not be posted. PPSD will identify the affected employees and
manually adjust the lump sum payments.

Faculty who have a red circle rate are not included in the EH mass update. PPSD will identify the
affected employees and manually process the increases via the SCR transaction.

Employees on NDI, Supplementing with Catastrophic Leave Donations, are eligible for the SCR. If an
employee was on NDI effective the beginning of the July 2008 pay period or later, the EH

mass update will post the SCR transaction and generate the new rate. The mass update will also correct any subsequent transactions with the new salary rate. However, the mass update cannot update EH records for those employees who were on NDI prior to the beginning of the July 2008 pay period. PPSD will identify the affected employees and manually process the SCR transaction as well as correct any subsequent transactions.

For employees eligible for the 2% increase with special payments/A54 transactions that were processed before the EH mass update, campuses should process an A54C transaction to post a correction to the salary. After the mass update, use the new salary rate for new A54 transactions that are processed.

CAMPUS EH PROCESSING INSTRUCTIONS

Based on the update processed by PPSD, the following is a guideline for processing various EH transactions. The transactions should be key entered in the order indicated. Note: The guideline only applies to R03 employees whose July 2008 pay period begins July 1, 2008. EH instructions will be sent separately to campuses with R03 employees whose July 2008 pay period begins prior to July 1, 2008.

1. Separations effective 06/30/08 or prior.

    a. SCRV effective 07/01/08.
    b. SXX.

    If an S70 or S71 transaction for an academic employee was keyed reflecting the old salary rate, correct the separation transaction as follows:

    SXXC – enter the total amount due in Item 810, Final Settlement Pay. (Listings identifying the affected employees will be sent to the campuses.)

2. Separations effective 07/01/08 or later, including Leave Without Pay (S49 or 565 transactions with Job Injury Code = 7), should be processed as usual with the exception identified in #3 below. Also, do not void the SCR transaction.

    If a separation transaction was keyed prior to the SCR transactions and reflects the old salary rate, correct the separation as follows:

    SXXC – enter the new total amount due in Item 810, Final Settlement Pay. (Listings identifying the affected employees will be sent to the campuses.)

3. Employees on NDI/Leave of Absence Without Pay as of 07/01/08 and are to separate 07/01/08 or later with lump sum vacation/extra hours (Item 621) or final settlement pay (Item 810) requested on the separation transaction.

    a. A57 or A58 effective same date as SXX and effective date hours = COB (reinstate at the old salary rate). Also, enter 'Lump Sum Only' or 'Settle Only' in Item 215, Remarks.
    b. SCR effective same date as SXX and effective date hours = COB (enter the SCR salary rate in Item 820, Assigned Salary Rate and enter code 65 in Item 719, Detail Transaction Code).
    c. SXX.

4. Leave of Absences effective 06/30/08 or prior, including 565 transactions with Job Injury Code = 7.

    a. SCRV effective 07/01/08.
    b. SXX or 565.

5. Appointment effective 06/30/08 or prior and Item 450, Prior State Service = 1, 3, or 4.

    a. AXX.
    b. SCR effective 07/01/08 (enter the SCR salary rate in Item 820, Assigned salary Rate and code 65 in Item 719, Detail Transaction Code).

6. Appointments effective 07/01/08 or later and Item 450, Prior State Service = 1, 3, or 4.

    No SCR transaction is required. However, enter the SCR salary rate in Item 820, Assigned Salary Rate on the appointment transaction.

7. Reinstatements effective 06/30/08 or prior, including A57, A58, A68 and 565 with Job Injury Code = 4 (if prior status was Job Injury Code = 7) transactions.

    a.   AXX or 565.
    b. 715 effective the same date as the A68 or 565 transaction, if applicable to change Item 330, Anniversary Date and/or Item 430, Probationary Period, due to non-qualifying pay periods.
    c. SCR effective 07/01/08 (enter the SCR salary rate in Item 820, Assigned Salary Rate and code 65 it Item 719, Detail Transaction Code).

8. Reinstatements via the A57 or A58 transaction effective 07/01/08 or later.

    a. A57 or A58 (reinstate at the old salary rate).
    b. SCR effective the same date as the A57 or A58 transaction (enter the SCR salary rate in Item 820, Assigned Salary Rate and code 65 it Item 719, Detail Transaction Code).

9. Reinstatements via the A68 or 565 transactions with Job Injury Code = 4 (if prior status was Job Injury Code = 7) effective 07/01/08 or later.

    a. A68 or 565.
    b. 715 effective the same date as the A68 or 565 transaction, if applicable to change Item 330, Anniversary Date and/or Item 430, Probationary Period, due to non-qualifying pay periods.
    c. SCR effective same date as the A68 or 565 transaction (enter the SCR salary rate in Item 820, Assigned Salary Rate and code 65 it Item 719, Detail Transaction Code).

10. When processing the transactions per condition #3, #8 or #9 above, audit message 9320-02 or 330-02 will be received if the employee's salary rate is below the new minimum rate or was the old maximum rate. Attach the audit message to the PPT input document package and submit to PPSD for processing.

11. If a correction to a previously keyed 07/01/08 effective date transaction (i.e. keyed prior to the 07/01/08 effective date SCR transaction) is processed, audit message 9320-02 or 330-02 may be received. The transactions with the audit message attached to the PPT input document need to be submitted to PPSD for processing. Refer to the PIMS Manual for out-of-sequence processing. If other audit messages are received, please contact your CSU Audits' Representative.

12. Transactions not identified above, process as usual.

If you have any questions regarding the update process or above guidelines, please contact your CSU Audits' Representative.

PMAB:JB:DS